

FISCAL NOTE

HB 4024

March 6, 2008

SUMMARY OF BILL: Requires the Commissioner of Finance and Administration to seek an appropriate federal waiver to authorize individuals to purchase medical assistance coverage as part of the TennCare program as a supplement to any private insurance that may be available and only used to pay expenses not covered for the child by the private insurance plan.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$100,000

Increase State Expenditures – Exceeds \$358,600

Other Fiscal Impact – Increase Federal Expenditures –

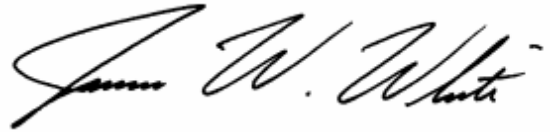
Exceeds \$641,400

Assumptions:

- There will not be a significant increase in expenditures to seek a federal waiver to authorize the coverage.
- The Bureau of TennCare estimates that the expansion of eligibility to a group of potentially high cost individuals will result in an increase in expenditures exceeding \$1,000,000. Of this amount, \$358,620 will be state funds at a rate of 35.862 percent and \$641,380 will be federal funds at a 64.138 percent match rate.
- The participants would have to buy into the program in order to participate and are required to have some type of primary insurance coverage.
- It is unknown how many participants would elect to enroll in the program and it is unknown how much TennCare would charge to be part of the program. The resulting increase in revenue is reasonably estimated at an amount which exceeds \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/kml